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C O N F I D E N T I A L SECTION 01 OF 03 BEIJING 002487

SIPDIS

E.O. 12958: DECL: 06/24/2018
TAGS: [PREL](#) [PGOV](#) [PHUM](#) [PARM](#) [CH](#)
SUBJECT: A/S HILL MEETING WITH AFM LIU JIEYI

REF: A. BEIJING 2436
[1](#)B. GUANGZHOU 359

Classified By: Acting Political Minister Counselor Ben W. Moeling. Reasons: 1.4 (b) and (d).

SUMMARY

[1](#)1. (C) Assistant Foreign Minister Liu Jieyi told the Ambassador and A/S Christopher R. Hill in a June 23 meeting that inclusion of Tibet in the G8 Ministerial statement would "not help U.S.-China cooperation." Hill said the United States understands China's concerns and would discuss them with G8 counterparts. He also urged China to continue dialogue with the Dalai Lama. Liu noted recent progress in cross-Straits relations, but urged caution and said the United States should refrain from selling F-16 C/D aircraft to Taiwan. Liu informed Hill that China has recently entered into an agreement with the World Health Organization (WHO) Secretariat to allow Taiwan experts to take part in some WHO meetings. Liu said the delivery of the P5 plus 1 incentives package to Iran had gone "better than expected." Hill said China should consider whether energy deals with Iran send the right message about the international community's concerns over Iran's nuclear programs. In addition, he encouraged China to refrain from selling Iran conventional weapons, which could be used to kill U.S. soldiers in Iraq. Liu said Burma's acceptance of international assistance and implementation of the seven-step roadmap on political reform are signs of progress. Hill said the extension of Aung San Suu Kyi's detention has again shown the Burmese regime's disregard for the concerns of the international community, let alone a serious approach to national reconciliation. Hill and Liu also discussed the Sichuan earthquake, upcoming high-level visits, human rights, a new Conditions of Construction Agreement to cover U.S. facilities in Guangzhou, and Chinese detainees at Guantanamo. End Summary.

Tibet

[1](#)2. (C) Liu said China objects strongly to discussion of Tibet at the upcoming Group of Eight (G8) Ministerial meeting in Japan. China's leaders attach great importance to the Tibet issue, an internal matter which "touches the nerves of the Chinese people." Raising Tibet in the G8 Ministerial Statement would not be conducive to the development of U.S.-China relations or helpful to cooperation between China and the United States on important international issues. Moreover, raising Tibet in this way would "do a disservice" to China's efforts to engage in sincere dialogue with representatives of "the Dalai."

[1](#)3. (C) A/S Hill said that as a friend, we urge China to continue dialogue with the Dalai Lama. The United States is looking to see if China establishes a process to engage

Tibetan leaders. We do not challenge China's sovereignty over Tibet, but sovereignty issues are sometimes discussed in the international arena. "That's life in the 21st Century," A/S Hill observed. Regardless of China's views of the Dalai Lama, China should realize that he is a respected international figure. Although most Americans are not versed on the details of the Tibetan issue, many Americans see the Dalai Lama as an international figure of great stature. Thus, China's dismissing the Dalai Lama as a religious feudal leader is "a losing strategy." Rather, China should engage in calm dialogue. As for the G8 statement, A/S Hill said the United States understands China's concerns and would discuss them with G8 counterparts.

Taiwan

14. (C) Liu noted the positive progress in cross-Strait relations in recent weeks. China hopes the two sides can work to restore relations on the basis of the 1992 Consensus.

Practical development of relations is in the interest of people on both sides of the Strait and of peace and security in the region. However, Liu cautioned that the one China policy should remain unchanged. In this spirit, China appreciates the continued adherence of the United States to the Three Communiques, U.S. "opposition" to Taiwan independence, and U.S. agreement that Taiwan should not be a member of international organizations for which statehood is a prerequisite. However, China is concerned that "some elements" still support Taiwan independence and urged caution. China opposes the sale of new weapons to Taiwan, especially F-16 C/D aircraft.

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15. (C) A/S Hill replied that the Three Communiques and the Taiwan Relations Act remain the basis of U.S. Taiwan policy, the fundamental premise of which is promoting greater stability and more dialogue across the Strait. Hill noted that the United States has actively though quietly played a positive role in cross-Strait relations. We will continue to be a positive force and expect President Bush and President Hu will have an opportunity to discuss recent progress during meetings at the G8. A/S Hill said that China needs to be more flexible on the scope of Taiwan's international presence. Liu acknowledged that the United States played a helpful role in the run-up to Taiwan's election, and "this has been noticed by the Chinese people." Liu said the Chinese Government has entered into an agreement with the Secretariat of the WHO to allow Taiwan technical experts to take part in some WHO meetings, which will allow Taiwan access to information from the WHO. China hopes this arrangement can continue without becoming politicized.

Iran

16. (C) Liu said he had participated in the joint mission to Iran to present Iranian leaders with the P5 plus 1 incentives package (ref A). The results of the trip were "better than expected." Liu said he had urged his Iranian Deputy Foreign Minister counterpart not to reject the P5 plus 1 package, which included many attractive elements, but to study it carefully. The Iranian Foreign Minister had indicated that Iran would study the package and had refrained from again publicly calling for negotiations without preconditions. Liu said he expects an Iranian response in "one or two weeks." However, he said he does not want to exaggerate the progress and conceded the Iranian position has not changed, though the atmospherics had been good.

17. (C) A/S Hill said the United States has many concerns about whether Iran is really listening to international concerns over its nuclear program. China should consider carefully whether energy contracts send the wrong message to Iran. Hill also emphasized U.S. opposition to Chinese

conventional arms sales to Iran. Despite Iranian pledges, these weapons make their way to Iraq, where they could be used to kill American soldiers. Hill pointed out the commercial benefits of such contracts are not worth the potentially devastating damage to U.S.-China relations if U.S. soldiers are killed with Chinese weapons. Liu responded that China is now "very cautious" about conventional arms exports to Iran and said he is not aware of recent shipments of such weapons to Iran.

Burma

18. (C) Liu said China has been urging the Burmese Government to accept more international assistance for the victims of Cyclone Nargis. In this regard, China is happy to see that Burma accepted U.S. assistance. China has also urged the Burmese Government to cooperate with the UN Secretary General Ban Ki-moon and UN Special Advisor Ibrahim Gambari's efforts.

Acknowledging some problems, Liu said that Burma has made progress compared to a year or even a few months ago. Liu especially noted Burma's implementation of the seven-step roadmap on political reform.

19. (C) Hill said cooperation on Burma has been a quiet but important chapter in U.S.-China relations and noted China's role in gaining the Burmese Government's approval for U.S. Pacific Command Commander Admiral Keating's visit to Burma. The Burmese junta is remarkably stubborn and resistant to democratic change. The regime's vilification of Aung San Suu Kyi is particularly reprehensible. Holding the recent Constitutional referendum in the aftermath of the cyclone, and the vote's obviously rigged result, had only created more political tensions. Extending Aung San Suu Kyi's house arrest has further demonstrated that the Burmese regime is indifferent to international opinion. Noting that Burmese leaders had been slow to respond to the cyclone disaster, Hill contrasted the situation in Burma with the vigorous response of Chinese leaders to the Sichuan earthquake.

High-Level Exchanges

110. (C) Liu noted that there are many opportunities for high-level exchanges in the coming months, which will be helpful to the bilateral relationship. President Bush and President Hu will meet in July at the G8 Summit and in August

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during President Bush's visit to Beijing. Secretary Rice will visit at the end of June. The recently concluded fourth round of the Strategic Economic Dialogue (SED) was also a great success. Liu pledged that China would work hard to transform the results of these meetings into concrete progress on issues. Such exchanges are also important as the two sides try to manage differences.

Sichuan Earthquake

111. (C) Liu noted China's gratitude for the assistance provided by the American Red Cross and the U.S. Government to the victims of the Sichuan earthquake. The attention of the international community meant a great deal to the victims. A/S Hill said the earthquake had struck a chord among Americans and noted that employees at the U.S. Consulate in Guangzhou had even sold t-shirts to raise money for relief efforts. Liu said such gestures, including A/S Hill's participation in a fundraising walkathon in Guangzhou (ref B), were very important in enhancing the bonds between China and the United States. In this spirit, FM Yang had recently written to Secretary Rice to express his sympathy for the victims of recent floods in the United States.

COCA II Agreement

¶12. (C) A/S Hill said the United States hopes to conclude a new Conditions of Construction Agreement, which would allow construction of a new U.S. Consulate General in Guangzhou. This facility will benefit Guangdong Province.

Guantanamo Prisoners

¶13. (C) Liu noted a recent U.S. Defense Department Spokesperson statement that ten Chinese nationals previously released from detention in Guantanamo had been involved in a terrorist abduction of Chinese construction engineers in Pakistan. This incident demonstrated the importance of returning Chinese detainees released from Guantanamo to China.

Human Rights

¶14. (C) A/S Hill said the United States welcomes the recent resumption of our bilateral Human Rights Dialogue and urged China to work productively on these issues. Liu responded that China is prepared to continue the dialogue.

¶15. (U) A/S Hill has cleared this cable.
RANDT